MINUTES

JOINT LEGISLATIVE OVERSIGHT COMMITTEE ON MENTAL HEALTH, DEVELOPMENTAL DISABILITIES AND SUBSTANCE ABUSE SERVICES

September 8, 2010
Room 643, Legislative Office Building

The Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities and Substance Abuse Services (LOC) met on Wednesday, September 8, 2010 in Room 643 of the Legislative Office Building. Members present were Representative Verla Insko, Co-Chair; Senators Austin Allran, Bob Atwater, Charlie Dannelly, Jim Forrester, Ellie Kinnaird, and William Purcell, and Representatives Martha Alexander, Jeff Barnhart, Beverly Earle, Bob England, Jean Farmer-Butterfield, Carolyn Justus, and Fred Steen. Advisory members Senator Larry Shaw, Representative Van Braxton and Representative William Brisson were present.

Lisa Hollowell, Joyce Jones, Susan Barham, and Rennie Hobby provided staff support to the meeting. Staff member Ben Popkin listened to the meeting via real-time streaming audio through the NCGA intranet. Attached is the Visitor Registration Sheet that is made a part of the minutes. (See Attachment No. 1)

Representative Verla Insko, Co-Chair, called the meeting to order and welcomed members and guests. She asked for a motion to approve the minutes from the May 6, 2010 meeting. The motion was made by Representative Earle and the minutes were approved.

Lanier Cansler, Secretary of the Department of Health and Human Services (DHHS), introduced Beth Melcher and Steve Jordan. Dr. Melcher replaces Michael Watson (now Deputy Secretary for Health Services) as the new Assistant Secretary for Mental Health, Developmental Disabilities and Substance Abuse Services Development. Steve Jordan will serve as Director of the Division of Mental Health, Developmental Disabilities and Substance Abuse Services, replacing Leza Wainwright, who retired the first of September. He added that a new medical director and deputy director for the Division of MH/DD/SAS would be hired soon. The Secretary then provided a brief update on current issues. Regarding the budget, he stated that surprisingly DHHS has only spent 5.6% of its total budget on personnel costs and a total of 7.9% when all other administrative costs are added. The remainder of the budget is being used to purchase services. He noted that cutting all administrative costs would still not be sufficient to address the current budget shortfall. Accordingly, he said that with the pending budget shortfall, services will need to be eliminated. With respect to personnel, there would be approximately ten vacant positions per each of the MH/DD/SA facilities which does not give these facilities much flexibility.

Secretary Cansler announced the groundbreaking ceremony for the new Cherry Hospital on October 1 and said that the groundbreaking for the new Broughton Hospital would

occur next spring. He said that with the opening of Central Regional there have been no appropriations for Dorothea Dix Hospital. The operational cost of the 100 beds at Dorothea Dix for the last two years has been $30M per year. However, with budget cuts DHHS can no longer cover those costs. Pending action from the Legislature next year, the Secretary plans to officially close Dix Hospital. Mr. Cansler said that some Dix patients are moving to Central Regional; 30 beds are opening at Cherry Hospital for long-term patients; and 19 beds are opening at Broughton Hospital for acute short-term patients. By December 31 the operation of Dorothea Dix will be scaled down to a 26 bed minimum forensic unit that will operate for the foreseeable future. Across the State there will be approximately the same number of total beds or a few more but costs would be reduced by about $16M per year. He said that $14M of cost was still not budgeted but was coming from community funds. He added that the Wake community facility should be opening around the first of the year. Secretary Cansler also mentioned that the children's outpatient psychiatric program would continue on the Dix campus and any inpatient programs would continue at Central Regional. The Secretary was asked to provide a list of all the inpatient beds across the State and where they are located.

Senator Dannelly announced that Representative William Brisson was given the Legislative Leadership Award by the Arc of North Carolina last month in Wilmington.

Lisa Hollowell from Fiscal Research and Joyce Jones from the Bill Drafting Division provided an overview of the 2010 Legislative actions related to mental health, developmental disabilities and substance abuse services. Points of interest made by Ms. Hollowell included:

- The $40M reinstated brings the total service funds back up to $375M. In addition the LMEs received administrative funds making a total of $500M.
- The LOC will receive a report on the expansion project for community beds within local hospitals for psychiatric inpatient services.
- Two special provisions under #7 - a report will be made on the expansion of the Support Intensity Scale within the seven pilot sites; and a report will be made on the hospital emergency department usage for psychiatric crises, reviewing the LME catchment areas, crisis services available, ED usage, and a review of the 1915 (bc) site.
- A report to the LOC will come during the interim on the Capitated Behavior Health Pilot Program which adds the Mecklenburg LME to the1915 (bc) wavier program. This inclusion has been delayed from January 1, 2011 to July, 2011.
- Reports will also come on Enhanced Mental Health Changes and Independent Assessments for enhanced Mental Health Services.

Joyce Jones reviewed legislation that did not appear in the budget. Items of interest included:

- Extension of the sunset on the First Commitment Pilot Program to October 1, 2012, and expansion of the program to up to 20 LMEs. (S.L. 2010-119)
- The Studies Act of 2010: Section 9.2 is of particular interest to the LOC since it calls for a process to evaluate contested Medicaid cases; and-

- Section 16.1 authorizes the NCIOM to study the needs of children from birth to age 5 with mental health problems. (S.L. 2010-152)

Dr. Craigan Gray, Medical Director for the Division of Medical Assistance provided an expenditures and utilization tracking update for selected aspects of mental health, developmental disability and substance abuse services. (See Attachment No. 3) His presentation included the following points of interest:

- Expenditures have increased due to the number of recipients receiving services; however, the numbers will decrease as recipients transition out of Community Support Individual and into other services once this service ends December 31, 2010. Expenditures are also expected to level out for Community Support Team based upon the newly imposed limit of 32 hours in 60 days.
- The cost for Community Support Team at an 18 hour per week level was 2 to 3 times greater than the monthly cost for ACTT. The changes bring the cost per consumer of Community Support Team more in line with the cost of ACTT. Data on monthly cost per case is now available for Community Support Team showing how it now relates to ACTT.
- Children coming out of residential facilities and those transitioning from Community Support reflect the increase in numbers for Intensive In-Home.

Regarding Day Treatment, Representative Insko mentioned that DHHS is monitoring clinical outcomes but not education outcomes. She suggested that she would like to see the local school systems monitoring those outcomes as well.

Michael Watson, Deputy Secretary for Health Services provided a follow-up to questions from the Committee regarding Community Support. (See Attachment No. 4) Mr. Watson said DHHS had tracked the movement of consumers in the system since July 2009 using Medicaid and State paid claims data. Points of interest included:

- Data of consumers receiving Community Support Service (CSS) includes adults and children, with approximately 75% consisting of children. The service cost about $20M per month.
- Of those consumers no longer receiving CSS, some have completed treatment; for others service could not be justified; and some may be receiving service in a primary care setting which is not indicated in the data.
- Those consumers that moved into basic benefits moved into lower cost programs. Those consumers that went into enhanced services moved into services that cost approximately the same or slightly more.
- Of the 800 provider sites still endorsed, only 450 are billing for CSS. (They may be billing for other services but not CSS.) As of December 31st, all endorsements for Community Support Individual will end.
- As for the 9,000 consumers currently receiving CSS, between now and December they will be evaluated, and may be transitioned based on medical necessity to the new targeted case management for mental health and substance abuse or if the need is greater they would move into one of the other services.

Mr. Watson was asked what kind of savings occurred from April 2006, when 901 separate provider organizations submitted Community Support claims to now when only 300 provider organizations are submitting CS claims. He responded that he would have to get the data but at the peek of CS spending was probably $20M - $25M per month down to $3M - $4M per month now.

Next, Mr. Watson provided an update on Critical Access Behavioral Health Agencies (CABHAs). He explained the reasoning behind CABHAs, the goals, the CABHA certification process and where that stands, and what DHHS sees happening with CABHAs and the transition between now and December 31. (See Attachment No. 5) Items of interest included:

- The four counties that currently do not have a CABHA serving consumers are: Washington, Hyde, Tyrrell, and Gates.
- Of the 208 applicants currently in the certification process, the Department expects 25%-30% to become certified CABHAs.

Mr. Watson was asked to identify the two governmental entities that had been certified as CABHAs. He responded that in Catawba County the DSS assumed child services from the LME and became a CABHA, and New River became a provider under a 160A agreement where the county assumed the provider role. He then retracted the information about Catawba and said he would check to see if a private non-profit took over in that County. Mr. Watson was asked to provide a list of the CABHA providers and the counties they support to date.

Members discussed at length whether or not DHHS should set guidelines as to the number of CABHAs there should be in an area. There was concern that there should be some diversity in the provider network in order to eliminate abuse. For additional information on CABHAs see the website for DHHS: http://www.dhhs.state.nc.us/mhddsas/.

Mark O'Donnell, Program Manager from DHHS provided a status report on Level III and Level IV group homes for children. (See Attachment No. 6) In addition to his handout, Mr. O'Donnell's comments included these:

- A comprehensive list was made of youths that various agencies were responsible for in a Level III or IV setting. A comprehensive System of Care approach focusing on the needs of children and their families was established to review and respond to the needs of those children.
- The signature of the LME System of Care Coordinator had to be on the discharge forms for all admissions in order for Value Options to authorize the services. This was used as a quality check to ensure that the planning by the Child and Family Team was appropriate and that discharges were planned.
- An independent psychiatric assessment for each admission was administered as opposed to one done by the provider agency. This process aided in the integrity of the review and placement.
- A significant number of children, through very thorough and careful review, were discharged into much more appropriate settings.

Mr. O'Donnell was asked to provide the percentage of children in the system that have also been in the court system.

Roy Wilson, Director of East Carolina Behavioral Health (ECBH), Lisa Bonnett, Executive Director of the Recovery Education Unit at ECBH, and Cindy Ehlers, Assistant Area Director for Clinical Services, addressed the Second Mile Project written by Ms. Ehlers. (See Attachment No. 7) Ms. Ehlers addressed the issue mentioned by Mr. Watson of the gap in CABHAs in the ECBH area. She said that there were currently 10 different RFP's posted by ECBH to expand the service capacity in the area for CABHAs and listed several other ways ECBH was trying to fill the gap. She said that ECBH had considered the following solutions: providing school based mental health clinics, and offering co-located recovery oriented systems of care for adults and children with mental health and substance abuse issues in the health departments, federally qualified health clinics, and community care clinics. Ms. Ehlers said that ECBH looked forward to solution based conversations with DHHS to address the gaps.

Ms. Ehlers explained that Second Mile was a philosophy consistent with the mission at ECBH to meet the needs of consumers looking for support with mental health or substance abuse issues. She said that Second Mile was a comprehensive approach that integrates hope, empowerment, education, support, advocacy, and supportive services for all the populations that ECBH is required to work with. Comments regarding the project included:

- Part of Second Mile, ECBH funds two wellness cities – Hope Station in Greenville and Wellness City in New Bern. They are peer run education centers staffed by peers that have been involved in mental health or substance abuse struggles.
- In the other 17 rural counties, Outreach and Wellness classes are offered in health departments, Departments of Social Services, churches, and schools.
- The mobile crisis providers offer education and outreach to magistrates, law enforcement providers and volunteer first responders.
- There are 3 facility based detox centers with analysis suggesting that 1 additional site should be added to the catchment area.

Lisa Bonnett addressed how Second Mile has impacted individuals at Cherry Hospital.

- Classroom facilitators in the Wellness Recovery Action Plan (WRAP) program are trained individuals who have had problems with addiction or mental health issues.
- WRAP helps people determine how they got in the hospital to begin with, what triggered them to become unwell, what kind of old responses they had to those triggers, and the sort of new response they can have in the future to help them stay well for longer periods of time.
- WRAP helps people determine what their early warning signs are in order to get intervention earlier.
- A survey taken of people served at Cherry Hospital who have completed the WRAP class indicates that people have an overwhelming sense of empowerment

and hope that they can be well. Staff to Second Mile shares their own story to recovery creating an infectious atmosphere for those participating in the WRAP class.

- Second Mile is totally funded by county dollars and has received national recognition.
- Once a level of recovery is established, Second Mile helps transition people into permanent supportive housing.
- Second Mile is available to any consumer at Cherry Hospital. It is not limited to ECBH residents.

Ms. Ehlers said that outcome data indicated that for the original 9 counties of ECBH, before the Albemarle merger, from 2009-2010 there was a 60% reduction in hospitalization for the entire catchment area.

Members emphasized the importance of having enough critical care beds in the facilities across the State for our growing population. It was suggested that the General Assembly look at the issue very carefully during the upcoming year to see that the "safety net" is in place.

There being no further business, the meeting adjourned at 2:30 PM.

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Senator Martin Nesbitt, Co-Chair	Representative Verla Insko, Co-Chair

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Rennie Hobby, Committee Assistant